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Message Text

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ACTION EA-14

INFO OCT-01 EUR-25 ISO-00 AID-20 IGA-02 NEA-10 OMB-01

TRSE-00 ABF-01 L-03 PM-07 NSC-10 SPC-03 SS-15 RSC-01

PRS-01 CIAE-00 INR-10 NSAE-00 DODE-00 DRC-01 /125 W
---------- 054641
R 090845Z OCT 73
FM AMEMBASSY SAIGON
TO SECSTATE WASHDC 7853
INFO AMEMBASSY BUDAPEST
AMEMBASSY JAKARTA
AMEMBASSY TEHRAN
AMEMBASSY WARSAW
USDEL JEC PARIS

C O N F I D E N T I A L SAIGON 17619

EO 11652: GDS
TAGS: MARR VS
SUBJ: ICCS: PA&E LETTER ON BILLS OUTSTANDING

REF: SAIGON 17420

1. PA&E HAS SENT DIRGEN NUR LETTER DATED OCT 8 WHICH FOCUSES ATTENTION ON MOUNTING ICCS DEBTS WITHOUT GIVING FORMAL NOTICE OF CANCELLATION SERVICES. TEXT FOLLOWS BELOW.

2. IN CONVERSATION OCTOBER 9 WITH EMBOFF, PA&E REPRESENTATIVE SAID NUR HAD CALLED MEETING FOR OCTOBER 10 WITH MAJOR CONTRACTORS TO DISCUSS BUDGET PROBLEMS. EMBOFF ASSUMES NUR WILL GET INSTRUCTIONS FROM SPECIAL SESSION OF ICCS ON OCT 9 IN RESPONSE TO MEMO HE HAS SUBMITTED AND PLANS TO RELAY ANY ICCS DECISIONS TO CONTRACTORS ON NEXT DAY.

3. BEGIN TEXT: YOUR EXCELLENCY:

PAE IS MOST CONCERNED WITH RESPECT TO THE APPARENT FINANCIAL CON-STRAINTS CONCERNING AVAILABILITY OF FUNDS WHICH ARE PREVENTING THE
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INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION FROM PAYMENT

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OF CERTAIN BILLINGS AT THIS TIME. PAE VOUCHERS PRESENTLY OUT-
STANDING TOTAL $798,780.05, CONSISTING PRIMARILY OF COSTS INCURRED IN
AUGUST PAYROLL AND VENDOR PAYMENTS FOR ICCS AUTHORIZED PRO-
CUREMENTS. VOUCHERS WILL BE SUBMITTED ON OR BEFORE 10 OCTOBER
1973 BY PAE IN AN ESTIMATED AMOUNT OF $600,000.00 FOR SEPTEMBER
PAYROLLS AND VENDOR PAYMENTS FOR ICCS AUTHORIZED PROCUREMENTS.
THIS WILL RESULT IN A TOTAL OF APPROXIMATELY $1,400,000.00 OUTSTAND-
ING, ASSUMING THAT FUNDS HAVE NOT BEEN MADE AVAILABLE TO THE ICCS
AND APPLIED TO THE REDUCTION OF THAT AMOUNT, WITH COSTS CONTINUING TO
ACCRUE FROM 1 OCTOBER 1973.
DURING NEGOTIATIONS FOR THE CURRENT GENERAL SUPPORT SERVICES CONTRACT
PAE AGREED, AT THE REQUEST OF THE ICCS NEGOTIATORS, TO CONTINUE TO
PERFORM AT THE THEN GENERAL MANNING LEVEL PENDING DEFINITIZATION OF
FINAL MANNING LEVELS AT A LATER DATE. THIS WE HAVE DONE. IN ORDER TO
RELIEVE THE BUDGETARY IMPACT OF CONTRACT COSTS AS STATED TO YOU IN
OUR DISCUSSIONS ON OCTOBER 5, 1973, PAE RECOMMENDS TO THE ICCS
THAT MANNING BE REDUCED TO A LEVEL CONSISTENT WITH MINIMUM SERVICES
REQUIRED FOR HEALTH, SAFETY AND SECURITY AT LEAST UNTIL SUCH TIME AS
ADQUATE FUNDING IS MADE AVAILABLE TO THE ICCS. CONCURRENTLY, PAE
ALSO RECOMMENDS THAT PROCUREMENT ACTIONS BE REDUCED TO THE
MINIMUM ESSENTIALS. OTHER POSSIBLE MEASURES, INCLUDING
ACCELERATION OF OUR VIETNAMESE ADVANCEMENT PROGRAM AND REDUCTION
OF OVERTIME ARE ALSO PROPOSED. AS PART OF THIS OVERALL COST
REDUCTION PROGRAM PAE PROPOSES TO REDUCE THE NUMBER OF FOREIGN
NATIONALS TO 116.
IT IS REQUESTED THAT THE MEASURES DESCRIBED IN THE PRECEDING PARA-
GRAPH BE APPROVED AS INTERIM MEASURES AND THAT ICCS REPRESENTA-
TIVES WITH REQUISITIONING AUTHORITY BE INFORMED AS TO THE NECESSITY
FOR DELAYED ACTIONS IN PROCUREMENT OF OTHER THAN MOST ESSENTIAL
REQUIREMENTS PENDING DEFINITIVE FUNDS ALLOCATIONS TO THE ICCS
ADEQUATE FOR RELAXATION OF THESE STRINGENT ECONOMIES.
I SINCERELY APPRECIATE YOUR AFFORDING US AN OPPORTUNITY TO DISCUSS
THESE MATTERS WITH YOU. I TRUST THAT PRESENT FINANCIAL DIFFICULTIES
CAN BE EXPEDITIOUSLY RESOLVED AND TAKE THIS OPPORTUNITY TO AGAIN
ASSURE YOU OF OUR DESIRE TO COOPERATE TO THE FULLEST EXTENT POSSIBLE
TO REALIZE OUR MUTUAL OBJECTIVES.

SINCERELY YOURS,
SIGNED
LANDIS W. HICKS
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GENERAL MANAGER
MARTIN

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NNN

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Message Attributes

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Disposition Authority: willialc
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Subject: ICCS: PA&E LETTER ON BILLS OUTSTANDING
TAGS: MARR, VS, ICCS, PA & E
To: STATE
Type: TE
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